THE RIGHTS CONFERRED BY LETTERS PATENT FOR INVENTIONS.

THE terms "patent" and "patent law" have been appropriated in common parlance practically exclusively to Letters Patent, and to the law relating to Letters Patent, for inventions. When one speaks of a patent, he is at once understood to mean a patent for an invention. Sometimes we hear the word "patent" used as if it were a synonym of "invention". This is an indication of the large part that inventions occupy in our thought. There is, indeed, in this country but one other thing for which Letters Patent have been issued. The Government grants of public lands are evidenced by Letters Patent issued to the grantee.

One of the Circuit Judges of the Court of Appeals of the Second Circuit in a recent address at a banquet given by the American Patent Law Association in honor of Chief Justice Taft, said, that to the general practitioner, "a patent case spells mystery", and, said he, since the Federal Judges in the main are drawn from the ranks of the general practitioners, he doubted whether any with that training have failed to approach their first patent case with awe and trembling, only to find, to their surprise, "that in many respects a patent cause has the characteristics of any other cause in equity; that its language is no more individualistic than is the language of the law of contracts or the law of frauds". The thing that injects the element of mystery into a patent, or a patent case to the general practitioner is the *facts* of the mechanism, or device which forms the subject of the patent. From either natural inaptitude for such things, or the want of education or training in respect of machinery or industrial processes, he is unable to grasp the significance of, or to understand these facts. As far as the law itself is concerned, there is nothing so special or abstruse in it that makes it difficult of understanding. How close questions arising in patent cases have touched, and involved the ap-

plication of principles of the law in relation to other subjects is shown by *Packet Co.* v. *Sickles,*[1] in which was invoked the 4th Section of the Statute of Frauds with respect to contracts not to be performed within one year, and the application of the rule of law of attornment in real property that a tenant may not deny his landlord's title, to the licensee under a patent, who, while the license is in force, is estopped to deny the validity of the licensor's patent.[2] And it required a decision of the Supreme Court, *De La Vergne Refrigerating Co.* v. *Featherstone,*[3] to show that the rule in Shelley's case does not apply to patents even though the grant reads to John Doe, "his heirs and assigns". John Doe being dead at the time of the issue of the patent the question was whether "heirs" was a word of limitation or a word of purchase. If, as was held by the lower court, it was a word of limitation, defining the ancestor's estate, the patent was void for want of a grantee *in esse,* at the time of the grant.

Patent law is, of course, a specialty, and one in which one can only hope for large success who is able to understand the mechanical or scientific facts with which he must deal in his practice.

This discussion, since it will have nothing to do with what I have referred to as the facts of a patent, but wholly with matters of law, may not prove uninteresting even to those who by want of natural aptitude or training have no special interest in things mechanical or scientific.

What are the rights which the holder of a patent may assert? What does the Government purport to give to him when, under the seal of the United States, it issues its Letters Patent?

It is not uncommon for laymen and even general practitioners to think that the grant of a patent is the grant of the right to make and sell the device or mechanism set forth in the specification or description and illustration attached to and forming part of the patent. Indeed, some have the idea that without the patent the device could not be made or put on the market, that it

[1] 5 Wall. 580.
[2] U. S. *v.* Harvey Steel Co., 196 U. S. 310.
[3] 147 U. S. 154.

is necessary to receive Government authority through a patent to market a new device or invention.

Obviously, the patent grant could not give the patentee the right or authority to place his patented device in use, or upon the market. Some prior patentee might have a patent which would be infringed by the marketing or use of the subsequently patented device if the latter in its construction contained that which was the subject of the previous patent,—as it would if the device of the subsequent patent was in the nature of an improvement upon, or modification of, the device of the previous patent. Thus, if a patent had been granted for a gas engine, and later another inventor obtained a patent for a device for keeping the engine cylinder from overheating,—such as the familiar radiator with the hollow wall or "jacket" about the cylinder to circulate water about the cylinder, the later patentee would not, by virtue of the patent on his cooling device, receive by his patent the right to make gas engines with his cooling device attached, and his cooling device might have no other use than as a part of a gas engine. Of course, the prior patentee of the gas engine would have no right to use with his engine the subsequently patented cooling device without the consent of the patentee of the latter.

What a patent grants is the right to exclude others from making, using or vending the patented invention. The language used in Section 8 Article I of the Constitution upon which our patent law rests is: "The Congress shall have power * * * to promote the progress of Science and the useful Arts, by securing, for limited Times, to Authors and Inventors, the Exclusive Right to their respective Writings and Discoveries." The expression is "exclusive Right to their * * * Discoveries".

As an invention or discovery may be utilized or enjoyed by making it, or selling it, or using it, the "exclusive right" to it is to be secured by conferring a monopoly as to these three things, and accordingly the granting clause of the patent runs, "the exclusive right to make, use and vend" the invention.

As long ago as the time of Chief Justice Taney and in an opinion of the Supreme Court of the United States written by

him in *Bloomer* v. *McQuewan,*[4] what is granted by a patent is thus explained:

> "The franchise which the patent grants consists altogether in the right to exclude anyone from making, using or vending the thing patented without permission from the patentee. This is all he obtains by the patent."

And the Supreme Court in recent years has repeatedly said the same thing. Thus in the Paper Bag Case,[5] it was said,

> "that whenever the Court has had occasion to speak it has decided that the inventor receives from a patent the right to exclude others from its use for the time prescribed in the Statute".

In the same case the Court said, with reference to the right to exclude others from the use of the patented invention, "such exclusion may be said to have been the very essence of the right conferred by the patent".

And to secure the patentee in the enjoyment of the right granted by his patent, Chief Justice Marshall in *Grant* v. *Raymond,*[6] said: "the public faith is forever pledged".

This right of the patentee is so absolute that speaking of it, the Court of Appeals for the Seventh Circuit in *Victor Talking Machine* v. *The Fair,*[7] said:

> "Within his domain, the patentee is czar."

And in that case, it was said:

> "All that the Government can and does grant is the right to exclude others from practicing the invention without his consent."

The Supreme Court, in *Henry* v. *A. B. Dick,*[8] explaining the great power over his invention conferred upon a patentee by the patent Statutes based up the Constitution said:

> "If a patentee says 'I may suppress my patent at my will. I may make and have made devices under my patent but I will neither sell nor permit anyone to use the patented things', he is within his right and none can complain. It

[4] 15 How. 359.
[5] 210 U. S. 405.
[6] 6 Pet. 243.
[7] 123 Fed. 424.
[8] 224 U. S. 1.

must not be forgotten that we are dealing with a constitutional and statutory monopoly. An attack upon the rights under a patent because it secures a monopoly to make, sell and use, is an attack upon the whole patent system."

In the Paper Bag Case, the Supreme Court said.

"From the character of the right of the patentee we may judge of his remedies. It hardly needs to be pointed out that the right can only retain its attribute of exclusiveness by a prevention of its violation. Anything but prevention takes away the privilege which the law confers upon the patentee. If the conception of the law that a judgment in an action at law is a reparation for the trespass, it is only for the particular trespass that is the ground of the action. There may be other trespasses and continuing wrongs and the vexation of many actions. These are well-recognized grounds of equity jurisdiction, especially in patent cases and a citation of cases is unnecessary."

It would appear in view of what the Supreme Court has said, especially in patent cases, and a citation of cases is unnecessary." as to the nature of the rights of a patentee and the obligations of the Government to enforce these rights, that the right of an injunction, which, as the Supreme Court has said, is the only method by which violation of these rights can be prevented, would be absolute when there has finally been an adjudication against a particular defendant of the validity of the patent and its infringement, and a final decree has been entered. In principle, no other conclusion would seem possible, yet in the Paper Bag Case, after declaring the right of the patentee to exclusiveness in the enjoyment of his patented invention and explaining that only by injunction can such exclusiveness be preserved, the Supreme Court nevertheless reserves the question whether or not a case might arise where, "regarding the situation of the parties in view of the public interest, a Court of Equity might be justified in withholding relief by injunction", which question, said the Court, "we do not decide". Judge Buffington, when a District Judge in the Third Circuit, citing several cases in that Circuit, held,[9] that the Court has power to withhold a permanent injunction, and doubtless in making the foregoing reservation, the Supreme Court had such cases in mind.

[9] Electric Smelting, etc., Co. *v.* Carborundum Co., 189 Fed. 710.

It is well settled, however, that the grant of an injunction *pendente lite* is wholly within the discretion of the Court, as, of course, it should be, because of the circumstances under which the Court considers the case, a preliminary injunction being denied when there is a serious question of the validity of the patent, or of its infringement, which should be reserved for final hearing.

However, in the case of an infringement by the Government, there can be no injunction. In the first place, it would be against public policy to permit the Government to be enjoined. In the second place, a suit may be brought against the Government only with its consent.[10] The only tribunal in which it has been possible to call the Government to account for infringement of a patent is the United States Court of Claims at Washington, and the Act of June 25, 1910, which provided that an infringement suit might be brought against the Government in the Court of Claims provided only for an award of compensation and not for an injunction. Prior to the enactment of the Act of June 25, 1910, there was no express authority of statute for bringing a suit against the Government for infringement of a patent, and such suits as were brought in the Court of Claims were based upon the right of plaintiff to waive a tort and sue in assumpsit so that the suit in the Court of Claims proceeded upon the theory of breach of an implied contract between the Government and the patentee.[11] The infringement of a patent, of course, is a tort. There have been several case in which by indirection, by bill in equity, it has been sought to reach the Government for infringement, both to secure compensation and an injunction. In such cases the United States was not made defendant, but the Government officer in charge of such operations as were alleged to infringe, such as the building of a caisson in *Belknap* v. *Schild, supra,* was made defendant. Thus, even though in principle, the patentee's right to an injunction, to prevent invasion of his monopoly, is absolute, there is and must be an exception in favor of the United States when the Government is the invader.

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[10] Belknap *v.* Schild, 161 U. S. 10.

[11] The United States *v.* Society Anonyme, etc., 224 U. S. 307.

The grant of the patent carries with it the presumption of its validity. The *prima facie* of validity is so strong that the burden of proof upon a defendant to establish defenses that attack the validity of the patent is the same as that upon the prosecution in a criminal case. The reasons for the presumption of validity and the strength of that presumption are interestingly and well set forth by the Court of Appeals for the Seventh Circuit in *Railroad Supply Company* v. *Hart Steel Company*:[12]

> "Another consideration is the presumptive validity of a patent. From long and continued repetition of the phrase the members of patent bar and of the patent bench sometimes may seem to get into the condition of the man who repeats a word over and over until it fails to convey any meaning to his mind. But this presumption should be given more than formal recognition. A patent is a contract between the government on behalf of the people and the patentee. The grant of a patent might have been made conclusive evidence of its validity except against suits by the government for fraud or mutual mistakes in the issuance. But the fact that certain defenses are left open to the individual should not make us lose sight of the nature of the presumption that attaches to the grant. Not merely has the application been examined on behalf of all the people by experts who have access to all the prior patents and publications of the world; not only has the applicant spent his time and invested his money in procuring the patent; but in most of the important cases the patentee and those working under him have invested very large sums in buildings and machinery and have expended other large sums and put in great energy and effort to build up, by advertising and salesmanship, a profitable business. And this is done before anyone challenges the presumptive validity of the patent. Courts, therefore, should not view the application as of the date of its filing and constitute themselves into a board of reviewing examiners and on nicely balanced considerations find that the Patent Office examiners were in error; but they should consider the patentee's equities in his business which has developed under the presumptive validity of the patent, should give heed to the place achieved by the patented article in the field of the practical art since the date of the patent, and should there-

[12] 222 Fed. 261.

> fore decline to sustain the defense of noninvention and to strike down the patent and the business built upon it unless that defense has been established beyond a reasonable doubt".

But, as is indicated at the beginning of the foregoing quotation, the Courts have not always given to the *prima facie* presumption of validity the weight to which it undoubtedly is entitled. It has sometimes been urged by able patent lawyers that the presumption of validity attaching to the grant should be sufficient support for the granting of a preliminary injunction, thus leaving open to a defendant on a motion for a preliminary injunction only the question of infringement, that is to say, the question whether the machine or device made by him is the thing, or embodies the invention of the thing, which the patent covers and which the patentee, by reason of his patent, is entitled to monopolize, or such other defenses which, under the circumstances of the particular case, he should be permitted to make aside from the question of validity of the patent. However, a defendant, unless he is under some estoppel, arising out of the relations of the parties, to question the validity of the patent, (as, for example, when the plaintiff's title to the patent was obtained by assignment from the defendant and the defendant after the assignment did that which was charged to be an infringement of the patent) may, on a motion for a preliminary injunction, dispute the validity of the patent. And a preliminary injunction will be denied if, on the showing made by the defendant, the validity of the patent is doubtful. Ordinarily, if in a prior suit a patent has been sustained as valid against a stranger to the suit in which the motion for the preliminary injunction is asked, that adjudication of the validity of the patent will support a preliminary injunction and the Court on the motion will not consider defendant's attack upon the validity of the patent unless he have defenses assailing its validity that were not before the Court in the previous suit. Where the patent has successfully passed the ordeal of attack upon its validity in successive suits against different defendants a point may be reached justifying the application of the doctrine of

stare decisis. Thus, the Supreme Court in *Mast, Foos & Co.* v. *Stover Mfg. Co.*,[13] said:

> "The obligation to follow the decisions of other Courts in patent cases of course increases in proportion to the number of Courts which have passed upon, and the concordance of opinion may have been so general as to become a controlling authority."

The Court of Appeals for the Second Circuit, speaking with disapprobation of the reiteration of defenses by successive defendants, said a point might be reached where "possibly the patience of the court" would be exhausted.[14]

> "If courts are to examine defenses in patent cases *de novo* as often as they are presented, litigation will continue until the resources of the defendant, or the patience of the complainant, and possibly the patience of the Court are exhausted."

While the Courts require something more than the mere *prima facie* evidence of validity arising from the grant of the patent before a preliminary injunction will be awarded, yet it is not always required that there shall be a previous adjudication of the validity of the patent. The fact that the patent has run for many years and its validity has been acquiesced in by the public, evidenced, for example, by the taking of licenses under the patent, may be accepted by the Court as a sufficient supplement to the *prima facie* of the grant. And there have been some cases where the patent was so recently issued that the support of the *prima facie* of validity by way of prior adjudication or public acquiescence could not be had that a preliminary injunction was granted either because the defendant did not challenge the validity of the patent, or the defense of invalidity was obviously insufficient.[15]

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[13] 177 U. S. 485.

[14] Consolidated Rubber Tire Co. *v.* Diamond Rubber Co., 162 Fed. 892.

[15] Lambert Snyder Vibrator Co. *v.* Marvel Vibrator Co., 138 Fed. 82.